

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. RPU-02-3
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ORDER CLARIFYING TEMPORARY RATE ORDER

(Issued July 12, 2002)

On July 3, 2002, Interstate Power and Light Company (IPL) filed with the Utilities Board (Board) a request for clarification of the Board's June 27, 2002, order setting temporary rates. IPL asks for two clarifications. First, that IPL be able to bill at its current rates rather than the approved temporary rates until on or about July 15, 2002. Second, that IPL be allowed to file information regarding the revenue collection portion of lead-lag studies for calendar year 1999 and 2000, rather than complete lead-lag studies that would include expense lead days. IPL said it had contacted the Consumer Advocate Division of the Department of Justice (Consumer Advocate) and Consumer Advocate has no objection to granting the clarifications IPL requests. IPL and Consumer Advocate were the only parties to address lead-lag studies in the temporary rate filings.

With respect to billing rates, IPL said that due to ongoing work to consolidate the billing systems of IPL's predecessor utilities, IPL would not be able to bill the temporary rates approved on June 27, 2002, until on or about July 15. IPL

represents that it will forego all revenues it was entitled to collect due to its billing system limitation.

The Board will grant the requested clarification. Because IPL will forego the revenue, the delay in billing the temporary rate increase will not harm any customers. Iowa Code § 476.6(13) and the Board's order provide temporary rates are effective immediately upon the Board's decision, but the statute does not provide that the utility must implement those rates immediately.

The Board's temporary rate order required IPL to provide information on lead-lag studies for calendar years 1999 and 2000 because the Board was concerned that 2001 figures were abnormal. IPL in its request for clarification said these two studies would require over 1,000 man-hours to complete, primarily because calculating expense lead days is very time-consuming because it requires sampling and review of invoices. IPL notes that in the June 27, 2002, order, the Board questioned only the revenue collection period contained in the lead-lag studies.

IPL is correct. The Board in its order was concerned with the revenue collection period, not the expense lead days. Expense lead days should not be impacted by higher than normal gas prices, which may have affected the revenue collection period. IPL may file only the revenue collection period portion of lead-lag studies to comply with the Board's order, not complete lead-lag studies.

IT IS THEREFORE ORDERED:

The Board's June 27, 2002, order, setting temporary rates, is clarified to the extent discussed in the body of this order.

UTILITIES BOARD

/s/ Diane Munns

/s/ Mark O. Lambert

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

/s/ Elliott Smith

Dated at Des Moines, Iowa, this 12th day of July, 2002.